

that we have covered the small family farm and small business and thus we achieved what we wanted to achieve.

"But I would still be asking: Is it really a moral tax to begin with? And that's a point you can argue a hundred different ways."

Carl Loop, 72, who owns a wholesale decorative-plant nursery in Jacksonville, Fla., said he favored repeal, partly because estate tax planning was fraught with uncertainty.

"The complexity of it keeps a lot of people from doing estate planning because they don't understand it," Mr. Loop said. "And they don't like the fact that they have to give up ownership of property while they are alive."

Professor Harl, the Iowa State University estate tax expert, said that he had heard many horror stories about people having to sell farms to pay estate taxes. But in 35 years of conducting estate tax seminars for farmers, he added, "I have pushed and hunted and probed and I have not been able to find a single case where estate taxes caused the sale of a family farm; it's a myth."

Mr. ENZI. Mr. President, I rise in support of the Death Tax Elimination Act of 2000. The time has come to stop death from being a taxable event.

The repeal of the Federal death tax is one of the top priorities for tax reform in my home State of Wyoming. The reason is simple—Wyoming is made up almost exclusively of small businesses, and the Federal death tax hits small business owners the hardest of any group in society. Many of the small businesses in Wyoming are in the agricultural sector—ranching and farming businesses that have been built up by families working together to help feed Wyoming and America. These farms and ranches not only provide a great service to our State and the country as a whole by helping provide food that we eat every day, but they are an integral part of the western way of the life. All too often, I have heard the painful stories of families who were forced to sell their ranches or farms just to pay the taxes when their parents pass away. The death tax chips away at our very way of life in the West and elsewhere and should be abolished.

The death tax discourages thrift and pierces the very heart of the American economy—small businesses. We should never forget that small businesses are the backbone of the American economy. The simple fact is that most businesses in this country are small businesses. Out of the nearly 5.5 million employers in this country, 99 percent are businesses with fewer than 500 employees. Almost 90 percent of those businesses employ fewer than twenty employees. Since the early 1970s, small businesses have created two out of every three net new jobs in this country. This remarkable job growth continued even during periods of slow national growth and downturns when most large corporations were downsizing and laying off workers. Small businesses employ more than half of the private sector workforce and are responsible for producing roughly half of our nation's gross domestic product. By punishing small businesses, the Federal death tax stifles our economy, discourages inge-

nuity, and threatens the economic security of many of our families.

The Federal death tax also tears at the bonds that unite parents and children and families and communities. The family business has historically been one of the primary means for children to learn skills and virtues that help them throughout their entire lives. I know many of the hard-working men and women in Wyoming who run our State's family ranches and farms. The whole family pitches in to harvest the crops, feed the livestock, mend the fences, fix the irrigation ditches, plow the roads, herd the sheep and cattle, and plan for next year's crops or herds. Children learn that hard work and responsible planning are necessary ingredients for success in work as in life. They learn respect for the land that is their livelihood. They learn to appreciate the labor of their parents and grandparents and they realize their own labor is an investment in their future and the future of their children.

Unfortunately, we live at a time in America when there are all too many forces in our society telling our children that everything goes and that instant gratification is the only goal in life. It we as policymakers want to curb this trend, if we want to teach our children the importance of personal responsibility, hard work, and investment in their future, we should encourage family-owned businesses which are one of the domestic classrooms for teaching our children these time-honored virtues.

I have a little experience in operating a small business myself. My family and I ran a couple of small family-owned shoe stores in Gillette, WY. We didn't have separate division for merchandising and marketing. We didn't have an accounting department to sort out the complicated tax code. We all wore many hats. We had to sell the shoes, balance the books, keep track of our inventory, and straighten out the shelves. We had to sweep the sidewalks when we opened in the morning and at the end of a long day, we had to clean the floors and organize the store room. Let me tell you that we all learned to pitch in to get the job done. We learned to work together and we learned to appreciate the hard work and sacrifices each of us made to keep the store running smoothly.

We also learned firsthand the importance of living by the golden rule. If you don't treat your customers well in the retail business they don't forget. This is especially true of folks in small towns where there are always a few people who remember what you did as a kid and who can even tell you stories about your parents and grandparents. The joy is, they also remember you when you treat them well. The family-owned business is an important means we have in America of passing on our heritage from one generation to the next.

Our tax code represents our tax policy and we should be ashamed at a code

which punishes families and stifles our economy. Every year our tax code forces thousands of families to sell their businesses just to pay the repressive Federal death tax. It is time we correct this injustice by eliminating the death tax. I commend Chairman ROTH for his diligent work bringing this bill to the floor. I also commend Senator KYL, who has been a tireless advocate for the repeal of this tax ever since he came to the United States Senate and who made an important contribution to the legislation before us today. I urge my colleagues to join me in standing up for America's small businesses by putting the death tax permanently to rest.

Mr. HOLLINGS. Mr. President, since the beginning of the fiscal year, the national debt has increased, not decreased. Since we have been running a deficit and there is no surplus, any tax cut or loss of revenues only increases the debt rather than paying down the debt. Accordingly, I oppose the telephone tax cut, and I oppose this estate tax cut. As John Mitchell used to say, "Watch what we do, not what we say." We say pay down the debt but we increase it.

Mr. LEVIN. Mr. President, I oppose the Republican proposal to repeal the Federal estate tax and support the Democratic alternative proposal to provide relief from the estate tax to those who need it most—small businesses and family farms.

The current estate tax was first enacted by Congress in 1916, partly at the behest of President Theodore Roosevelt. Teddy Roosevelt was right. It's appropriate to tax a little more those who have prospered greatly from the American political and economic systems in order to provide some assistance to those who have also worked hard but have fallen behind. That's the basic tenet of our progressive system of taxation. Roosevelt was also correct that the tax should not discourage people from seeing to it that their children are well-off, but rather be aimed at immense fortunes. That is why I support the Democratic proposal to reform the estate tax to provide prompt relief to small business owners and farmers, rather than the Republican proposal to repeal it gradually over the next ten years, but totally for even the greatest fortunes while making small businesses and farmers wait for relief.

The Democratic proposal targets tax relief to persons with more modest estates and to small businesses and family farms and it does so at a more reasonable cost. By increasing the exemption for Qualified Family-Owned Business Interests from its current level of \$2.6 million per couple to \$4 million per couple in 2001, the Democratic alternative provides immediate relief by removing altogether more than 90 percent of family farms and more than 60 percent of small businesses from the estate tax rolls. In stark contrast, the Republican plan removes no one from the estate tax burden for another 10 years.